

Indian School Finance Company Private Limited
(CIN: U65921TG1994PTC065392)
Corp off: DSM 236 - 237, 2nd Floor, DLF Towers, Shivaji Marg, Moti Nagar, New Delhi - 110015
Registered Office Address: Unit No. 8-2-269/2/52, Plot No. 52, Sagar Society, Road No. 2, Banjara Hills, Hyderabad-500034
Phone No.: +91-40-66505000 Website: www.isfc.in
Financial results for the quarter ended June 30, 2022

Particulars	<i>(Rupees in millions unless otherwise stated)</i>			
	Quarter ended		Year ended	
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1 Revenue from operations				
Interest Income	72.53	104.68	116.22	437.21
Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-
Other operating Income	2.54	2.11	1.15	10.23
Total revenue from operations	75.07	106.79	117.37	447.44
2 Other income	-	1.87	-	2.18
Total other income	-	1.87	-	2.18
3 Total income (1+2)	75.07	108.66	117.37	449.62
4 Expenses				
a) Finance cost	32.61	42.28	55.11	198.79
b) Impairment on financial instruments	28.56	(84.23)	112.65	39.43
c) Employee benefits expenses	28.75	41.59	34.14	143.79
d) Depreciation and amortization expense	2.02	2.22	2.47	9.68
e) Other expenses	13.38	17.47	8.65	51.01
Total expenses	105.32	19.33	213.03	442.70
5 Profit/(Loss) before tax (3-4)	(30.25)	89.33	(95.66)	6.92
6 Tax expense:				
Current tax	-	-	-	-
Deferred tax charge / (credit)	(8.25)	43.72	-	51.88
	(8.25)	43.72	-	51.88
7 Profit/(Loss) for the period / year (5-6)	(22.00)	45.61	(95.66)	(44.96)
8 Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
(a) Remeasurement gain / loss on defined benefit plans	(0.04)	0.47	-	1.45
(b) Income tax related to above item	0.01	(0.12)	-	(0.37)
Total other comprehensive income for the period / year (a+b)	(0.03)	0.35	-	1.08
9 Total comprehensive income/loss for the period / year (7+8)	(22.03)	45.96	(95.66)	(43.88)
10 Earnings per share (equity share, par value Rs10)				
Computed on the basis of total profit for the period / year				
Basic earning per share (BEPS)*	(16.75)	29.49	(72.85)	(39.48)
Diluted earning per share (DEPS)*	(16.75)	2.94	(72.85)	(39.48)

For and on behalf of the Board of Directors
Indian School Finance Company Private Limited

Sandeep
Sandeep Wirkhare
Managing Director and CEO



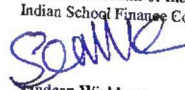
Place: Mumbai
Date: August 10, 2022

Notes to the audited financial results for the quarter ended June 30, 2022

- 1 Indian School Finance Company Private Limited (the 'Company') has prepared financial results for the quarter ended June 30, 2022 (the 'Statement'), in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') as amended and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provisions of the Companies Act 2013 and directions / guidelines issued by Reserve Bank of India, as applicable and other accounting principle generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable. The disclosures as per Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirement) regulations, 2015 as amended on September 7, 2021 for the quarter ended June 30, 2022 are enclosed as Annexure.
- 2 The above financial result of the Company are reviewed and recommended by Audit Committee and have been approved by the Board of Directors of the Company at the respective meeting held on August 10, 2022.
- 3 The results for the quarter ended March 31, 2022 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the nine months ended December 31, 2021. The figures upto the nine months period ended December 31, 2021 were subject to limited review by the Statutory Auditors of the Company.
- 4 The Company operates in lending to institutions and retail members who have similar risks and returns, which is considered to be the only reportable segment for the purpose of Ind AS 108 on 'Operating Segments'. Further, the Company operates in single geographic segment i.e. domestic.
- 5 The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown/restrictions, due to the contraction in industrial and services output across small and large businesses. The impact of the resurgence of COVID -19 pandemic on the Company's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government, RBI and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels.
In assessing the recoverability of loans and receivables, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Given the dynamic and evolving nature of the pandemic, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results.
- 6 The Reserve Bank of India (RBI) vide its circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated November 12, 2021 on "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", had clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The above requirement is deferred via RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022 till September 30, 2022.
- 7 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition, Asset classification and Provisioning (IRACP) norms (including provision on standard asset). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at June 30, 2022 and accordingly, no amount is required to be transferred to impairment reserve.
- 8 Reserve Bank of India on February 24, 2022 issued an inspection report for the year ended March 31, 2021, under Section 45N of the RBI Act 1934. The Board of the Company has taken cognizance of the report and responded on April 07, 2022. Further, RBI on March 28, 2022 issued a supervisory letter stating Supervisory Concerns and Risk Mitigation Plan (RMP) as of March 31, 2021 and the Company has responded to same on May 09, 2022 and June 30, 2022. Based on the response submitted to RBI, management does not foresee any material impact in these financial results and operations of the Company.
- 9 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 10 There is breach of certain financial covenants with a few lenders. The Company has been intimating the breach of covenants to such lenders from time to time and none of the lenders have expressed any concern on this aspect till date. The Company has sanctioned and unutilised credit lines to meet both its short term and long term commitments to the extent of 60 mn. The Company has adequate Capital Adequacy Ratio and has demonstrated its ability to raise the borrowings. The Company has received support letter from Gray Matters Capital for growth prospects. Basis the sanctioned and unutilised credit lines, support letter and management plan to raise the borrowing, the financial results of the Company has been prepared on going concern basis.
- 11 The column of corresponding unaudited figures for the quarter ended June 30, 2021, was not subject to limited review and is management reviewed/certified.
- 12 Figures for the previous period / year have been regrouped / reclassified wherever necessary to conform with the current period / year presentation.
- 13 The above financial results are available on the stock exchange website (www.bseindia.com) and the website of the Company (www.isfc.com).

Place: Mumbai
Date: August 10, 2022

For and on behalf of the Board of Directors of
Indian School Finance Company Private Limited


Sandeep Wirkhare
Managing Director and CEO



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Annexure :

- Pursuant to Regulation 52(7) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on June 30, 2022 are being utilized as per the objects stated in the offer document. Further we also confirm that there have been no deviations, in the use of proceeds of issue of NCDs from the objects stated in the offer document.
- The Secured Non-convertible Debentures of the Company as at June 30, 2022 are secured by way of First Pari Passu charge over Standard Loan Receivables and Investment Receivables (including un-encumbered cash and bank balance, investments) to the extent of 1.20 times. The Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount and other dues at all times for the non-convertible debt securities issued by the Company.
- Disclosure in compliance with regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the quarter ended June 30, 2022.


Sr. No	Particulars	(Rupees in millions unless otherwise stated)	
		for quarter ended	
		June 30, 2022	
1	Debt - Equity Ratio as on June 30, 2022 (Refer Note 1 below)		
2	Debt service coverage ratio		0.83
3	Interest service coverage ratio		NA
4	Outstanding redeemable preference shares (Quantity)		NA
	Outstanding redeemable preference shares (Value)		6952756
5	Capital redemption reserve		69.53
	Debenture redemption reserve		NA
6	Net Worth		NA
7	Net Profit After Tax (Quarter ended June 30, 2022)		1,083.65
8	Earnings per equity share (not annualised):		(22.00)
	(a) Basic (Rs)		
	(b) Diluted (Rs)		(16.75)
9	Current ratio		(16.75)
10	Long term debt to working capital		NA
11	Bad debts to Account receivable ratio		NA
12	Current liability ratio		NA
13	Total debts to total assets as on June 30, 2022 (Refer Note 2 below)		NA
14	Debtor's turnover		0.46
15	Inventory turnover		NA
16	Operating margin		NA
17	Net profit/loss margin" (Refer Note 3 below)		NA
18	Sector specific equivalent ratios:		(0.29)
	(a) Gross NPA - Stage 3		
	(b) Net NPA - Stage 3		22.23%
	Tier - I CRAR (%)		16.66%
	Tier - II CRAR (%)		64.03%
	Capital to risk weighted assets ratio** (Refer Note 4 below)		2.88%
			66.91%

Note:

- Debt-equity Ratio = Total Debt (Debt Securities + Borrowings other than debt securities) / Net worth
- Total debt to total assets = (Debt Securities + Borrowings (other than debt securities) + Subordinate liabilities)/total assets.
- Net Profit/loss margin = Net Profit after tax/total income.
- Capital to risk weighted assets ratio and Liquidity coverage ratio, are calculated as per the RBI guidelines.

Place: Mumbai
Date: August 10, 2022

For and on behalf of the Board of Directors of
Indian School Finance Company Private Limited


Sandeep Wirkhare
Managing Director & CEO

